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Trading of Nixon Brother Reported to Senate Panel

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LOS ANGELES, Feb. 3—Investigators for the Senate Watergate committee have reportedly learned that the Secret Service was ordered to keep E. Donald Nixon, the President's brother, under physical surveillance during the first term because of mounting concern within the White House that his business dealings might embarrass the President and harm his chance for re-election in 1972.

According to a well-placed committee source, the investigators are seeking to link the surveillance effort to an occasion in the summer of 1969 when reports of Donald Nixon's movements were passed by the White House to Charles G. Rebozo, the Florida banker who is a close friend of the President.

Mr. Rebozo subsequently used the information, according to Senate and other sources, to bring about the dismissal of John Meier, then an employee of the Howard Hughes organization, whom Mr. Rebozo had previously demanded be kept away from the President's brother.

At a news conference in November, President Nixon acknowledged that the Secret Service tapped his brother's telephone in the past, but only to monitor "others who were trying to get him, perhaps to use improper influence" with the Nixon Administration.

He did not elaborate, and said nothing about having ordered the agency to extend its efforts to include following his younger brother.

If accurate, the Senate source's account of the covert physical surveillance is another manifestation of the sensitivity of the President and his advisers to Donald Nixon's ties to Mr. Meier and the Hughes organization, and his involve-

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ment in a number of unsuccessful, and sometimes questionable, business adventures.

Asked to comment on the source's report, Edward Schmults, the general counsel of the Treasury Department, which includes the Secret Service, [illegible] telephone [illegible] view that he had been "instructed not to give any information" to the press about any surveillance of the President's brother by the White House protective agency.

Mr. Schmults would add only that he believed the Secret Service was authorized to conduct physical as well as electronic surveillance of individuals "in connection with its protective functions, with or without a court order."

The staff of the Watergate committee, which has temporarily put off public hearings on the complex relationships between the Nixon Administration and Howard Hughes, the billionaire industrialist, is understood to believe that the alleged surveillance effort may have led directly to Mr. Rebozo's knowledge of a meeting between Mr. Meier and Donald Nixon at a Southern California airport.

According to the Senate source's account, key elements of which are supported by other persons close to the Hughes organization, Mr. Rebozo earlier prevailed on Hughes aides to order Mr. Meier to stay away from Donald Nixon because of the fears of John D. Ehrlichman, the former Presidential assistant, the then Attorney General, John N. Mitchell, and others high in the White House that Mr. Meier would try to "use" the President's brother.

One Hughes insider explained that their continuing concern derived not from any suspicion that Donald Nixon was dishonest, but rather from their view of him as "a very gullible fellow" who was vulnerable to possible attempts by Mr. Meier to exploit his name within the business community.

The concern eventually became so great, according to these sources, that Herbert W. Kalmbach, President Nixon's personal attorney, was sent by Mr. Ehrlichman to interview a Las Vegas newspaper publisher in an effort to find out what the publisher, Henry Greenspun, knew of the Nixon-Meier relationship.

'Book Prepared'

At one point, what one source called a "Don Nixon book" was prepared for Mr. Ehrlichman and Mr. Mitchell outlining Mr. Nixon's activities, to be used in the event that he became an issue in his brother's 1972 re-election campaign.

The Watergate committee reportedly has also received information that a break-in at Mr. Greenspun's office, allegedly planned by two members of the White House "plumbers," E. Howard Hunt Jr. and G. Gordon Liddy, but apparently never carried out, was aimed in part at retrieving documents relating to Donald Nixon that were believed to be in the publisher's safe.

One of Mr. Nixon's recurring political problems was the disclosure, in 1960, that the Hughes organization had made a partly secured $205,000 loan to the President's brother that was unsuccessful in helping him to rescue a failing fast-food business here that specialized in "Nixonburgers."

As a result, Mr. Rebozo is said to have told Richard G. Danner, who now manages Mr. Hughes's Sands Hotel in Las Vegas, Nev., to see that Mr. Meier stayed away from Donald Nixon.

In July, 1969, sources said Mr. Danner, a long-time friend of both the President and Mr. Rebozo, who was hired by Mr. Hughes the previous February, received a second telephone call from Mr. Rebozo.

"I thought I told you to keep Johnny Meier away from Don Nixon," said one source in paraphrasing Mr. Rebozo's remarks.

Mr. Danner reportedly replied that the order had been given to Mr. Meier, to which Mr. Rebozo is said to have shot back, "The hell it has; they're meeting right now."

One Watergate committee source said that because Mr. Rebozo had received the information about the on-going meeting at the Orange County, Calif., airport from the White House, it was his "assumption" that the meeting had been observed by the Secret Service agents assigned to watch the President's brother.

Linked to Airport Meeting

Mr. Meier left the Hughes organization three months later. Although his lawyer, Robert H. Wyshak of Los Angeles, said yesterday that his client "wasn't fired, he quit," other sources maintained that Mr. Meier had been discharged as a direct result of the airport meeting.

Mr. Meier was dismissed from his job as a mining consultant, the sources said, by Robert A. Maheu, then Mr. Hughes's principal confidant and executive arm, to whom Mr. Danner had reportedly expressed Mr. Rebozo's wish that this be done.

Mr. Meier is now under a Federal indictment charging him with income tax evasion and conspiracy in connection with the purchase of $8-million in mining claims by the Hughes organization. After Mr. Meier, who is 40 years old and describes himself as a former "scientific adviser," left the Hughes organization, his relationship with Donald Nixon continued, and so, apparently, did the concern in Washington.